- CENVAT on all man made fibre and yarn has been reduced from 16% to 8% and import duty on all man made fibre and yarn from 15% to 10%.
- The peak rate of *ad-valorem* component of customs duty for all non-agricultural products including textiles has been reduced from 15% to 12.5%.
- Special CVD of 4% has been extended to all goods in order to counter balance various internal taxes like sales tax and VAT and to provide a level playing field to indigenous goods which have to bear these taxes. However, fabrics are exempted from this levy.

(vii) Government has allowed 100% Foreign Direct Investment (FDI) in the textile sector under automatic route.

(viii) For speedy modernisation of the textile processing sector, Government has introduced a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(ix) Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8.9% rate of interest.

(x) Government has dereserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(xi) National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

Purchasing of Cotton by Cotton Corporation of India Ltd.

†2707. SHRI NANDI YELLAIAH: Will the Minister of TEXTILES be pleased to state:

(a) the total quantum of the cotton purchased by the Cotton Corporation of India Ltd. from different States particularly from different districts of Andhra Pradesh during the last year;

†Original notice of the question was received in Hindi.

(b) whether the Corporation had purchased the entire cotton available in the cotton market of Adilabad, Warangal, Guntur and other districts in Andhra Pradesh;

(c) if not, the reasons therefor; and

(d) the norms adopted by the Cotton Corporation of India Ltd. to fix the purchase price of cotton for different States?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): During 2004-05 cotton season, the Cotton Corporation of India Ltd. (CCI) had procured a record quantity of 140.24 lakh quintals of kapas equivalent to 27.51 lakh bales under Minimum Support Price operations in all the cotton growing States. In Andhra Pradesh, CCI had made record purchases under Minimum Support Price operations through a net work of 71 procurement centres in 12 districts of Andhra Pradesh under three branch offices at Guntur, Warangal and Adilabad and purchased 64.24 lakh quintals of kapas equivalent to 12.11 lakh bales. State-wise purchase of cotton under MSP operation is as under:—

(in lakh bales of 170 kgs.)

States			2004-05
Punjab			143,018
Haryana			162,917
Rajasthan			259,815
Gujarat			482,556
Maharashtra			167,367
Madhya Pradesh			153,307
Andhra	Guntur	713,678	
Pradesh	Warrangal	251,520	
	Adilabad	220,689	
	Raichur	24,748	
	Total		12,10,635
Karnataka			1,46,533
Tamil Nadu			478
West Bengal			228
Orissa			23,611
TOTAL:			2,750,465

(b) Yes sir, the Corporation has purchased the entire quantity of kapas offered to it in APMC regulated market yards by the cotton farmers under Minimum Support Price operations. Further, in order to ensure remunerative prices to the cotton farmers and avoid distress sales, the Corporation has also purchased kapas three stages below Fair Average Quality (FAQ) grade and all these purchases have been made from the notified market yards in the presence of APMC officials.

(c) Does not arise.

(d) The Minimum Support Prices (MSPs) for Fair Average Quality (FAQ) grade of two basic varieties of kapas *viz.*, J-34 and H-4 are fixed by the Government of India every year and based on market differentials; the MSPs for other varieties are fixed by the Office of the Textile Commissioner. The MSPs are fixed keeping the view the cost of cultivationand a reasonable margin of profit to the cotton farmers. CCI makes purchases of FAQ grade kapas at the MSPs so fixed by the Government of India. However, for effecting purchases of below FAQ grade kapas, suitable deductions are made from the MSP rates so as to make the prices remunerative and commensurate with quality of kapas.

Development of Jute Industry

2708. SHRI TARIQ ANWAR: Will the Minister of TEXTILES be pleased to state:

(a) whether Government propose to develop jute industry;

(b) if so, the details of the action plan indicating the amount sanctioned for investment in this sector;

(c) the measures taken by Government for the revival of sick units; and

(d) the numbers of jobs that would be generated with the revival of the sick industries?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes Sir. The Government has initiated various schemes for the development of the jute industry, These are:

(i) Technology Upgradation Fund Scheme launched by Ministry of Textiles and nodal agency for jute industry is Industrial Finance